



Government of
Saskatchewan

Financial Statement 2001-2002

**Cumberland
Regional College**

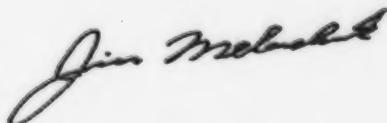
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the
Cumberland Regional College for the year ending June 30, 2002.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Jim Melenchuk". The signature is fluid and cursive, with the first name "Jim" being more prominent and the last name "Melenchuk" written in a continuous script.

Jim Melenchuk
Minister of Learning

CUMBERLAND REGIONAL COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 2002

Neumann & Neumann
Chartered Accountants

Board of Directors
Cumberland Regional College
Nipawin, Saskatchewan

AUDITORS' REPORT

We have audited the statement of financial position of Cumberland Regional College as at June 30, 2002 and the statements of operations, changes in fund balances and cash flows for the year then ended. The College's management is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2002 and the results of its operations and the changes in cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Nipawin, Saskatchewan
September 11, 2002

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2002

Statement 1

	2002			- 2001 -
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and temporary investments	\$1,119,886	\$ 455,000	\$1,574,886	\$1,013,300
Accounts Receivable (note 3)	195,907	--	195,907	221,111
Prepaid expenses	17,640	--	17,640	10,166
	1,333,433	455,000	1,788,433	1,244,577
Investments (note 4)	350,000	--	350,000	500,000
Capital Assets (note 5)	--	951,090	951,090	1,005,350
	<u>\$1,683,433</u>	<u>\$1,406,090</u>	<u>\$3,089,523</u>	<u>\$2,749,927</u>
LIABILITIES				
Current Liabilities				
Accounts payable (note 7)	\$ 92,397	\$ --	\$ 92,397	\$ 98,303
Salaries payable	52,867	--	52,867	--
Accrued vacation payable	96,829	--	96,829	88,193
Deferred revenue (note 8)	722,919	--	722,919	523,880
	<u>965,012</u>	<u>--</u>	<u>965,012</u>	<u>710,376</u>
FUND BALANCES				
Invested in capital assets	--	951,090	951,090	1,005,350
Internally restricted as reserves (schedule 4)	646,125	455,000	1,101,125	701,237
Unrestricted	72,296	--	72,296	332,964
	<u>718,421</u>	<u>1,406,090</u>	<u>2,124,511</u>	<u>2,039,551</u>
	<u>\$1,683,433</u>	<u>\$1,406,090</u>	<u>\$3,089,523</u>	<u>\$2,749,927</u>

APPROVED ON BEHALF OF THE BOARD

Director

Director

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2002

Statement 2

	(Note 11) Budget	Operating	Capital	Total
	2002	2001	2002	2001
Revenues (Schedule 1)				
Sask. Learning	\$2,470,972	\$2,448,443	\$ 560,000	\$3,229,477
Federal Government	15,000	25,404	--	64,276
Other Revenue	734,753	784,201	--	676,944
Total revenues	3,220,725	3,258,048	560,000	3,970,697
Expenses (Schedule 2)				
Contractual and Professional				
Services	532,494	730,964	425,000	899,361
Rentals	178,381	164,316	--	168,158
Repairs and Maintenance	19,770	6,615	--	7,524
Amortization	--	--	--	--
Operating Expenses (Schedule 3)	459,210	459,933	125,756	127,228
Personal Services	2,031,736	2,050,703	--	449,891
Total expenses	3,221,591	3,412,531	552,228	2,233,576
Excess/(deficiency) of revenues over expenses	\$ (866)	\$ (154,483)	\$ 7,772	\$ (84,959)
				\$ (280,239)

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2002

Statement 3

	Invested in capital assets	Internally restricted assets	Unre- stricted assets	2002 Total	2001 Total
Balance, beginning of the year	\$1,005,350	\$ 701,237	\$ 332,965	\$2,039,552	\$2,319,790
Excess/(deficiency) of revenue over expenses	7,772	--	77,187	84,959	(280,239)
Investment in capital assets (note 9)	72,968	--	(72,968)	--	--
Transfers between funds (note 9)	(135,000)	399,888	(264,888)	--	--
	<u>\$ 951,090</u>	<u>\$1,101,125</u>	<u>\$ 72,296</u>	<u>\$2,124,511</u>	<u>\$2,039,551</u>

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002

Statement 4

	Operating	2002	Capital	Total	2001	Total
CASH PROVIDED BY (USED IN):						
Operating Activities						
Excess (deficiency) of revenue over expenses	\$ 77,187	\$	7,772	\$ 84,959	\$	(280,239)
Expenditure not requiring outlay of cash:						
Amortization	--		127,228	127,228		125,756
Net change in non-cash working capital (note 10)	272,367		--	272,367		(111,994)
	349,554		135,000	484,554		(266,477)
Investing Activities						
Purchase of capital assets	--		(72,968)	(72,968)		(69,111)
Decrease in investments	150,000		--	150,000		--
	150,000		(72,968)	77,032		(69,111)
Increase (decrease) in cash during year	499,554		62,032	561,586		(335,588)
Cash and temporary investments, beginning of year	468,113		545,187	1,013,300		1,348,888
Interfund transfers (note 9)	152,219		(152,219)	--		--
Cash and temporary investments, end of year	\$ 1,119,886	\$	455,000	\$ 1,574,886	\$	1,013,300

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

1. PURPOSE AND AUTHORITY

The Cumberland Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*.

The Board of the Cumberland Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of *The Regional Colleges Act* and its regulations.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

(a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating Fund

The operating fund consists of those revenues and expenses relating to the general operations of the College.

(ii) Capital Fund

The capital fund reflects the equity of the College in capital assets after taking into consideration any associated long term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense.

(b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(b) Revenue recognition cont'd

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Buildings	5%
Leasehold improvements	5%
Furniture and equipment	10% to 33%
Vehicles	20%

(d) Investments

Investments are recorded at the lower of cost and market value.

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	<u>2002</u>	<u>2001</u>
Saskatchewan Learning	\$115,532	\$164,895
Federal government	11,905	10,401
Other	<u>68,470</u>	<u>45,815</u>
	<u>\$195,907</u>	<u>\$221,111</u>

CUMBERLAND REGIONAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

4. INVESTMENTS

Investments consist of:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>2002</u>	<u>2001</u>
Sask Savings Bond	5.50%	July, 2001	\$ --	\$150,000
Sask Savings Bond	5.00%	July, 2003	250,000	250,000
Sask Savings Bond	5.75%	July, 2005	<u>100,000</u>	<u>100,000</u>
			<u>\$350,000</u>	<u>\$500,000</u>

5. CAPITAL ASSETS

	<u>2002</u>			<u>2001</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 973,612	\$ 291,130	\$ 682,482	\$ 731,163
Leasehold improvements	222,383	73,697	148,686	159,775
Furnishings/ equipment	580,068	460,146	119,922	114,412
Vehicles	<u>23,486</u>	<u>23,486</u>	<u>--</u>	<u>--</u>
	<u>\$1,799,549</u>	<u>\$ 848,459</u>	<u>\$ 951,090</u>	<u>\$1,005,350</u>

6. LEASE OBLIGATIONS

The College is committed under an annual term lease for office space at the following minimum amount for the next year (exclusive of proportionate increases and additional occupancy costs - the lease is negotiated annually):

2003	\$20,000
------	----------

The College is committed under an operating lease for office equipment as follows:

2003	\$24,570
2004	24,570
2005	24,570
2006	24,570
2007	10,238

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

7. ACCOUNTS PAYABLE

Accounts payable are composed of the following:

	<u>2002</u>	<u>2001</u>
Province of Saskatchewan	\$ 478	\$ 761
Federal government	46,143	59,273
Other	<u>45,776</u>	<u>38,269</u>
	<u>\$ 92,397</u>	<u>\$ 98,303</u>

8. DEFERRED REVENUE

Deferred revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	<u>2002</u>	<u>2001</u>
Saskatchewan Learning	<u>\$722,919</u>	<u>\$523,880</u>

9. INTERFUND TRANSFERS

In 2002, the Board internally restricted and transferred from the operating fund \$542,405 (2001-\$12,855) for future operations. These internally restricted amounts are not available for unrestricted purposes without approval of the Board. The Board approved the transfer of \$52,330 (2001-\$88,337) from internally restricted funds to the operating fund. Also the Board approved the transfer of \$72,968 from the operating fund (2001-\$69,111) for the purchase of capital assets and the transfer of \$90,187 (2001 - \$0) from the capital fund to the operating fund.

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	<u>2002</u>	<u>2001</u>
Accounts receivable	\$ 25,204	\$ (8,064)
Prepaid expenses	(7,474)	3,876
Accounts payable, salaries payable and accrued vacation payable	55,598	(5,474)
Deferred revenue	<u>199,039</u>	<u>(102,332)</u>
Net increase (decrease) in cash	<u>\$ 272,367</u>	<u>\$ (111,994)</u>

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

11. BUDGET AMOUNTS

The budget was prepared by regional college management with Board approval given on May 22, 2001.

12. RELATED PARTY TRANSACTIONS

Included in these financial statements are revenue and expense amounts resulting from routine transactions with related parties. These transactions are conducted at agreed rates with various Saskatchewan Crown-controlled departments, agencies and corporations with which the College is related by virtue of its economic interest with the Government of Saskatchewan.

Expenses for related party transactions during the year were as follows:

	<u>2002</u>	<u>2001</u>
SaskTel expenses	\$ 54,467	\$ 56,738
Sask Property Management Corp. expenses	<u>52,435</u>	<u>57,560</u>
	<u>\$106,902</u>	<u>\$114,298</u>

Account balances from these transactions are included in the balance sheet and are settled on normal trade terms. Other transactions with related parties are disclosed elsewhere in these financial statements.

13. FINANCIAL INSTRUMENTS

- (a) The carrying amount of cash and temporary investments, accounts receivable, accounts payable, salaries payable, and vacation payable approximates fair value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.

The fair value of investments is considered to approximate market value which is \$350,000 (2001 - \$500,000).

- (b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

CUMBERLAND REGIONAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

14. PENSIONS

Employees of the college participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) or the Saskatchewan Teachers Retirement Plan (STRP) which are administered by the Teachers' Superannuation Commission. The Board has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the required employer contributions of the STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined benefit plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The college's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to \$46,233 (2001 - \$42,891).

CUMBERLAND REGIONAL COLLEGE
SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2002

Schedule 1

	Admini- stration	Programming				Career Services	2002 Total	2002 Budget	2001 Total
		Community & General Individual Revenue Development	Basic Education	Vocational Technical	University Credit				
Sask. Learning									
Admin Recovery	\$ 143,006	--	\$ 22,350	\$ 30,904	\$ --	\$ --	\$ 196,260	\$ 180,870	\$ 159,361
Base Grant	1,150,013	--	--	--	--	--	1,150,013	1,126,160	796,900
Program Payments	--	8,865	423,039	730,690	--	72,502	1,235,096	1,096,442	1,340,384
Canada-Saskatchewan Career and Employment Services	--	--	5,411	--	--	77,083	82,494	50,000	129,538
Other	5,614	--	--	--	--	--	5,614	17,500	22,260
	<u>1,298,633</u>	<u>8,865</u>	<u>450,800</u>	<u>761,594</u>	<u>--</u>	<u>149,585</u>	<u>2,669,477</u>	<u>2,470,972</u>	<u>2,448,443</u>
Federal Government									
Admin Recovery	--	--	1,710	--	--	--	1,710	--	1,549
Projects	--	--	27,604	--	--	--	27,604	--	23,855
Other	34,962	--	--	--	--	--	34,962	15,000	--
	<u>34,962</u>	<u>--</u>	<u>29,314</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>64,276</u>	<u>15,000</u>	<u>25,404</u>
Other									
Admin Recovery	--	--	--	--	9,019	--	9,019	9,250	9,250
Contracts	--	25,671	114,406	--	81,169	--	221,246	200,700	193,293
Interest	78,182	--	--	--	--	--	78,182	110,000	114,420
Rents	1,599	--	--	--	--	--	1,599	--	815
Resale Items	260	--	--	28,392	45,272	--	89,238	98,500	113,899
Tuitions	--	117,663	--	127,164	--	--	244,827	304,403	315,643
Other	318	--	7,080	12,895	2,902	9,638	32,833	11,900	36,882
	<u>80,359</u>	<u>158,648</u>	<u>121,486</u>	<u>168,451</u>	<u>138,362</u>	<u>9,638</u>	<u>676,944</u>	<u>734,753</u>	<u>784,201</u>
Total Revenue	1,413,954	167,513	601,600	930,045	138,362	159,223	3,410,697	3,220,725	3,258,048
Total Expense (Schedule 2)	<u>1,370,200</u>	<u>134,693</u>	<u>495,909</u>	<u>731,711</u>	<u>215,848</u>	<u>385,149</u>	<u>3,333,510</u>	<u>3,221,591</u>	<u>3,412,531</u>
Excess/(deficiency) of revenue over expenses	\$ 43,754	\$ 32,820	\$105,691	\$ 198,334	\$177,486	\$125,926	\$ 77,187	\$ (866)	\$ (154,483)

CUMBERLAND REGIONAL COLLEGE
SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2002

Schedule 2

	General Administration			Programming								
	Board	Admini- strative	Organi- zational	Community & Adult			University Credit	Career Services	2002 Total	2002 Budget	2001 Total	
				Individual Development	Basic Education	Vocational Technical						
Contractual and Professional Services	\$	--	\$ 8,065	\$ 32,924	\$ 19,754	\$ 6,107	\$352,223	\$ 47,541	\$ 7,747	\$ 474,361	\$ 532,494	\$ 730,964
Rentals		353	9,608	97,185	3,263	15,135	29,458	3,383	8,070	166,455	178,361	164,316
Repairs and Maintenance		--	--	8,721	--	319	100	87	--	9,227	19,770	6,615
Operating (Schedule 3)		25,712	41,532	127,129	64,069	29,492	63,732	63,616	34,609	449,891	459,210	459,933
Personnel Services		12,248	329,619	677,104	47,607	444,856	286,198	101,221	334,723	2,233,576	2,031,736	2,050,703
		\$ 38,313	\$388,824	\$943,063	\$134,693	\$495,909	\$731,711	\$215,848	\$385,149	\$3,333,510	\$3,221,591	\$3,412,531

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2002

Schedule 3

	<u>2002</u> <u>Total</u>	<u>2001</u> <u>Total</u>
Advertising	\$ 53,095	\$ 47,793
Association Fees and Dues	7,468	7,830
Bank Charges and Interest	4,626	549
Computer Software	16,551	6,924
Conference and Training Fees	13,940	8,633
Insurance	6,523	6,929
Materials and Supplies	68,039	65,416
Postal, Freight and Courier	12,074	10,509
Printing and Duplicating	13,123	25,392
Resale Items	94,864	116,600
Subscriptions	1,756	2,163
Telephone and Fax	54,467	56,738
Travel	81,046	81,932
Utilities	10,897	8,687
Other	<u>11,422</u>	<u>13,838</u>
	<u>\$449,891</u>	<u>\$459,933</u>

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF INTERNALLY RESTRICTED FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2002

Schedule 4

Operating Fund	Balance, beginning of the year	Appropriations from unrestricted net assets	Transfers Within Fund	Transfers to Other Funds	Balance, end of the year
Operating Fund					
Student Services	\$ 1,037	\$ --	\$ 3,963	\$ (3,875)	\$ 1,125
Professional Development	15,051	10,000	(51)	(15,000)	10,000
Personal Professional Development	12,855	--	(12,855)	--	--
One Client Service Model	12,171	--	--	(12,171)	--
Strategic Plan Implementation	18,350	--	(17,216)	(1,134)	--
Class Plan Implementation	52,948	--	(52,948)	--	--
Learning Centre	35,058	--	(35,058)	--	--
Retro-Out-of-Scope Salaries	--	--	20,150	(20,150)	--
Apprenticeship Project	--	--	95,000	--	95,000
Public Relations	8,580	--	(8,580)	--	--
Programs	--	532,405	7,595	--	540,000
	<u>156,050</u>	<u>542,405</u>	--	<u>(52,330)</u>	<u>646,125</u>
Capital Fund					
Tech Lab - Tisdale	15,498	--	(15,498)	--	--
Capital	529,689	--	(134,502)	(90,187)	305,000
Nipawin Facility	--	--	150,000	--	150,000
	<u>545,187</u>	--	--	<u>(90,187)</u>	<u>455,000</u>
	<u>\$701,237</u>	<u>\$542,405</u>	<u>\$ --</u>	<u>\$ (142,517)</u>	<u>\$1,101,125</u>

**CUMBERLAND REGIONAL COLLEGE
OVER \$2,500 SALARY AND PERSONAL SERVICES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2002
UNAUDITED**

Dorothy Allen	\$4,791
Diane Barnett	\$4,380
David Bone	\$4,629
Jodi Bruce	\$7,209
Barb Deck	\$3,004
Pat Heide	\$2,933
Dara McMunn	\$27,336
Leanne Kelsey	\$7,228
Ruth Kozun	\$6,008
Peter Krebs	\$2,917
Diane Muir	\$3,575
Valerie Mushinski	\$82,446
Laurie Parbst	\$3,599
Tregb Plaxin	\$3,336
Lianne Relland	\$35,574
Vickie Singer	\$3,624
Leslee Serack	\$79,896
Norma Stephenson	\$3,824
Maurice Taylor	\$3,345
Rosemary Vanherk-Auger	\$3,859
Tim Verklan	\$4,418
Total Unionized Employees	<u>\$1,578,133</u>
Total Personal Services	<u><u>\$1,871,273</u></u>

**CUMBERLAND REGIONAL COLLEGE
OVER \$20,000 PAYEE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2002
UNAUDITED**

Association of Saskatchewan Regional Colleges	\$26,000
Blue Cross	\$73,112
Computer Castle	\$71,405
Kinistin Nation Band Office	\$30,009
S.I.A.S.T. Kelsey Campus	\$24,074
Melfort School Division #100	\$479,045
Municipal Employees Pension Plan	\$92,467
S.I.A.S.T. Woodland Campus	\$141,387
Melfort Journal	\$23,875
Northern Green Resort	\$24,562
Prince Albert Photocopier	\$25,781
Receiver General	\$694,670
Sask. Property Management Corp.	\$52,435
Sask. Government Employees Union	\$42,801
SaskTel	\$54,467
Teachers' Superannuation Fund	\$27,660
S.I.A.S.T. Palliser Campus	\$91,578
Tisdale School Division	\$20,577
University of Saskatchewan	\$86,114
S.I.A.S.T. Wascana Campus	\$32,455
Total	<u>\$2,114,473</u>